

Message Text

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PAGE 01 BELGRA 05871 311358Z
ACTION XMB-04

INFO OCT-01 EUR-12 ISO-00 EB-08 AID-05 CIAE-00 COME-00
FRB-01 INR-07 NSAE-00 USIA-15 TRSE-00 OPIC-06
SP-02 LAB-04 SIL-01 OMB-01 NSC-05 SS-15 STR-04
CEA-01 /092 W

-----129627 312311Z /75

R 311015Z AUG 77
FM AMEMBASSY BELGRADE
TO SECSTATE WASHDC 2205
INFO AMCONSUL ZAGREB

UNCLAS BELGRADE 5871

E.O. 11652: N/A
TAGS: BPRO
SUBJECT: EXIMBANK CFF PROGRAM IN YUGOSLAVIA

REFS: A) ZAGREB 33 (NOTAL, B) STATE 184028

1. CONGEN ZAGREB SPOKE WITH KREDITNA BANKA ZAGREB AND
EMBASSY BELGRADE CONTACTED JUGOBANKA AND STOPANSKA BANKA
SKOPJE RE CONTENTS REFTEL (B).

2. CONGEN OFFICER VISITED KREDITNA BANKA AUGUST 15 TO
DISCUSS CFF RENEWAL. ASSISTANT DIRECTOR RASE AND MANAGER
IF INTERNATIONAL DEPARTMENT MISIJA EXPRESSED PLEASURE THAT
LINE HAD BEEN RENEWED. THEY ARE UNHAPPY THAT DOWNPAYMENT IS
NOW 15 PERCENT, BUT STATED THAT REPAYMENT TERM AND RATE OF
INTEREST WERE QUOTE NOT INCONVENIENT UNQUOTE.

3. KREDITNA BANKA IS NOT CERTAIN WHAT THIS CFF LINE MAY BE
USED FOR, BUT THERE ARE SEVERAL PROJECTS WHICH MAY EXHAUST
DOLS 2,000,000 LINE BY END OF 1977 OR EARLY 1978 AND CAUSE
THEM TO REQUEST AN INCREASE. AMONG POSSIBLE PROJECTS
WHICH MAY USE CFF FINANCING ARE ENLARGED, MODERNIZED
TELEVISION CENTERS IN ZAGREB AND OSIJEK.

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4. EMBASSY OFFICER SPOKE WITH DR. VLADIMIR STEPANOV,
ASSISTANT CHIEF MANAGER, AND ZARKO TRBOJEVIC, MANAGER
BANKING RELATIONS DEPARTMENT JUGOBANKA, AUGUST 23. THEY
WERE UNAWARE CFF CREDIT LINE HAD NOT BEEN EXTENDED BEYOND
JUNE 30, 1977. THEY HAD SOMEHOW RECEIVED IMPRESSION DURING
MARCH 1977 EXIM ALBRIGHT VISIT TO BELGRADE THAT ALBRIGHT,

AFTER COMPLETING HIS TRIP REPORT ON YUGOSLAVIA, WOULD
ARRANGE FOR ANOTHER YEAR EXTENSION.

5. YUGOBANKA OFFICIALS, WHO INDICATED NO IRRITATION AT
MISUNDERSTANDING, INDICATED THEY WANTED CFF CREDIT LINE
EXTENDED THROUGH JUNE 30, 1978. THEY SAID THEY WOULD BE
SENDING A LETTER TO EXIMBANK (ALBRIGHT) IN EARLY SEPTEMBER
REQUESTING EXTENSION AND REQUESTING INCREASE IN CREDIT LINE
TO DOLLARS 10 MILLION.

6. JUGOBANKA OFFICIALS INDICATED THEY WERE VERY SATISFIED
WITH EXIMBANK DECISION TO EASE THE MAXIMUM BUYER USE
LIMITATION. THEY SAID THEIR DECISION TO REQUEST LARGER
CREDIT LINE STEMS FROM THE CHANGE IN MAXIMUM BUYER USE
LIMITATION POLICY. THEY BELIEVE MAJOR PORTION OF CFF
FINANCING WILL BE USED FOR IMPORT OF EARTH-MOVING AND
AGRICULTURAL EQUIPMENT.

7. IN AUGUST 26 TELEX RESPONSE TO EMBASSY PHONE CALL AND
TELEX, MR. H. KOSKA, STOPANSKA BANKA-SKOPJE, INDICATED
NO PROBLEM WITH NEW EXIMBANK CFF POLICIES AND EXPRESSED
INTENTION TO CONTINUE USING CFF LINE. KOSKA, HOWEVER,
DID INDICATE PROBLEMS IN UTILIZING U.S. DOLLARS 3.25
MILLION APPROVED BY EXIMBANK ON DECEMBER 21, 1976.
SLIGHTLY GARBLED TEXT OF THIS PORTION OF TELEX FOLLOWS.

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8. QUOTE. WE HAVE DIFFICULTIES IN USE OF THE CREDIT APPROVED BY
THE BOARD OF DIRECTORS OF EXIMBANK ON DECEMBER 21, 76 FOR
USD LRS. 3,250,000. THESE DIFFICULTIES ARE DUE TO
CANCELLING OF EXIMBANK GUARANTEES WHICH IT ISSUED TO
COMMERCIAL BANKS-PARTICIPATING IN THE PROGRAM. THE
COMMERCIAL BANKS OFFER VERY UNFAVORABLE CREDIT TERMS WHICH
WE CANNOT ACCEPT.

WE INFORMED EXIMBANK OF THIS PROBLEM ASKING IT TO
ISSUE GUARANTEES TO THE COMMERCIAL BANKS FOR THE CREDIT
OF (GARBLED). UNQUOTE.
EAGLEBURGER

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NNN

Message Attributes

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Sent Date: 31-Aug-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
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